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BUILDING A CSR STRATEGY FOR MAXIMUM IMPACT

Data and Insights from Employee Stakeholders

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REPORT PREVIEW

Introduction

As attention to social and environmental issues increases around the world, leaders in both private and public sector organizations are concerned about what responsibilities they may have to address these issues on behalf of their stakeholders. There is mounting pressure for companies as environmental regulations and compliance requirements shift from voluntary to compulsory, consumer preference shifts towards supporting socially responsible brands, and employee sentiment demands that employers use their economic might to take action in areas where government policies are lacking.

It's not easy to address every stakeholder's needs. Every stakeholder in the business has their own unique set of opinions, beliefs, and priorities that would shape their views on how to best address social and environmental issues with company resources. Furthermore, company leaders often find themselves pulled in many directions by having to juggle the day to day issues of managing a business, leaving little energy to think about stakeholders' views on larger social and environmental concerns.

In this report, we'll highlight findings from a recent survey measuring the sentiment of employees about corporate social responsibility (CSR). We will define the drivers that are influencing company cultures and strategic direction regarding social and environmental issues. We'll also outline new models and methodologies that help mid and large sized organizations develop a more actionable and measurable CSR strategy that is closely aligned with company goals and objectives.

Although the concept of corporate social responsibility has been in practice in some form for over 50 years, it has only been in the past 15 years that corporations have elevated CSR to a major strategic imperative and formalized its management under a senior executive or C-suite leader. The practice continues to evolve in scope and definition, and new areas of focus continue to emerge. Environment, Social, and Governance (ESG) is one of those areas that has gained a lot of traction, particularly in the banking and investment communities as a way to assist investors in recognizing a company's financially significant risks or liabilities associated with the company's environmental impact. As this corporate function continues to evolve, the overlapping definitions of CSR and ESG evolve as well. For this report, we take a holistic look at corporate social responsibility with a wide lens, and use the term CSR to include guidance relevant to both CSR and ESG leaders. However, for those in specialty markets, like investing, where the focus is on investing in ESG-defined funds, you may require additional analysis written more specifically for that function.

This report is primarily written for business leaders and executives having responsibility for the following functional areas:

- **CORPORATE SOCIAL RESPONSIBILITY**
- **DIVERSITY AND INCLUSION**
- **ENVIRONMENTAL, SOCIAL, & GOVERNANCE**
- **FINANCE**
- **HUMAN RESOURCES**
- **PHILANTHROPY**
- **SOCIAL IMPACT**
- **SUPPLY CHAINS**
- **SUSTAINABILITY**

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How important is it that your employer works to address social responsibility issues, like sustainability, human rights, equality, poverty, hunger, philanthropy...?		DHR Impact Areas with Example Activity	
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About

DIAMOND HEAD RESEARCH

Based in Honolulu, Hawaii, Diamond Head Research (DHR) provides actionable analysis and insight to corporate social responsibility leaders around the world. Our proprietary data and unique methodologies help executives make better, more informed decisions about CSR and

ESG strategies and investments. Executives use DHR to make better decisions, with less risk and greater stakeholder impact, that are aligned with organizational goals. More information about Diamond Head Research can be found at www.diamondheadresearch.com.



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Methodology

The key data points used in this report were taken from the 2022 survey titled “Diamond Head Research Employee Sentiment Survey for CSR, 2022”. The survey captured data from 225 interviews of employees across a broad cross section of enterprises in the United States. Data collection was completed during the month of March 2022 through online channels. The questionnaire and survey guide used the English language and included both multiple choice and open-ended questions.

FIGURE 1

Source: Diamond Head Research, CSR Employee Sentiment Survey 2022, n=225

Distribution of Survey Respondents by Organization Size

The respondents were full time employees of companies of various sizes, using the following distribution of company size.

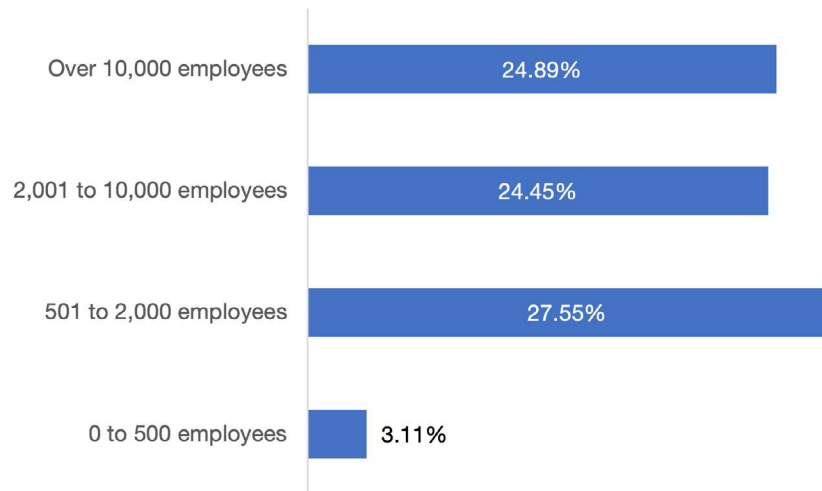


FIGURE 2

Source: Diamond Head Research, CSR Employee Sentiment Survey 2022, n=225

Distribution of Survey Respondents by Job Level

Most respondents represented middle management and intermediate level roles, with some senior managers, C-level executives, and entry level staff also contributing.

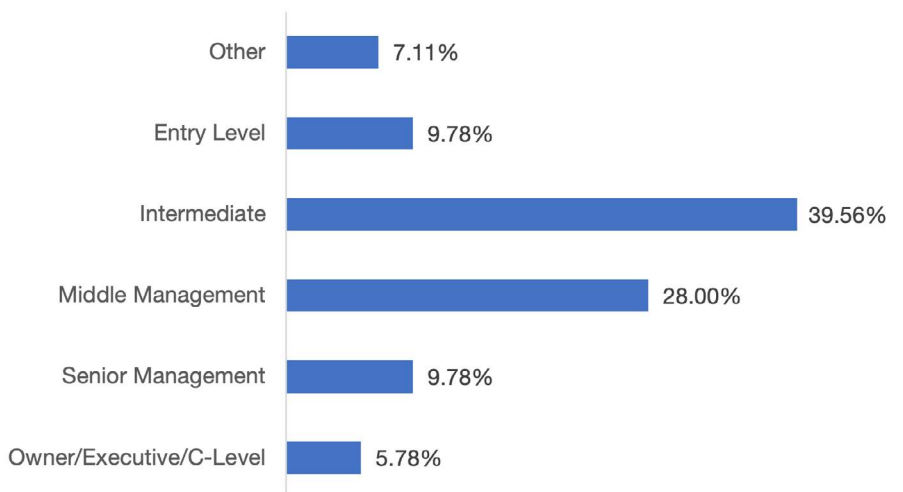
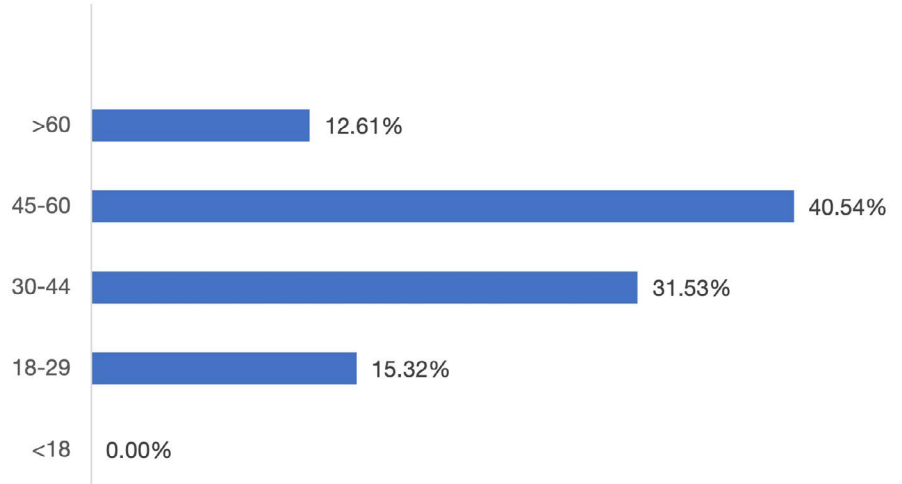


FIGURE 3

Source: Diamond Head Research, CSR Employee Sentiment Survey 2022, n=225

Distribution of Survey Respondents by Age Distribution

Age of respondents had no maximum but had a minimum requirement of at least 18 years old.



Any other data points used for the creation of this report are either from proprietary research and analysis from Diamond Head Research (DHR), inputs from other third-party sources in DHR's network of industry contacts and advisors, or from other sources of publicly available information. For questions about the methodology or data used in this report, please contact us at: contact@diamondheadresearch.com.

In Conclusion

Building an impactful CSR strategy that is aligned with stakeholder values and your company mission is not easy. It is further complicated by competing business priorities, a plethora of stakeholder opinions, and a quickly changing regulatory environment for social and environmental issues.

However, the benefits that an optimized CSR strategy can bring to your organization make the effort worthwhile. In fact, your strategy not only addresses critical social and environmental concerns, but will have a direct, positive material impact on your company's financial performance. An optimized strategy will improve hiring and retention of employees, build stronger more valuable relationships with your customers, introduce you to new partners and market segments, and raise the value of your brand.

To begin, start by building the business case for a CSR strategy in your organization. Collect feedback from a wide variety of stakeholders to your business. Understand the drivers and motivations behind their feedback. It is important to also understand the risks of not having any strategy at all.

Using the six step approach outlined in this report, you can begin to create your strategy in an informed, organized manner. The initiatives you identify in your strategy will be aligned to the mission of your organization, and prioritized to deliver optimum impact to your stakeholders.

It is important to remember that a CSR strategy is not a single event. It is a journey, where your strategy is continually refined over time, and a culture of CSR is recognized and rewarded in your organization. Your strategy becomes a critical step towards building a purpose-driven organization, where every individual can contribute and has a role to play.

Certainly, your stakeholder values and business priorities will change over time. The principles and processes shared in this document will provide the flexibility needed to adapt to both planned and unforeseen external and internal factors impacting your organization. The DHR methodology provides that consistent foundation to guide your organization to fulfill its responsibility to the full spectrum of both shareholders and stakeholders.